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29 August 1955

MEMORANDUM FOR: Chief Plans Staff, FI

SUBJECT : Renewal of Project OBDURATE

1. Project OBDURATE was originally approved 19 August 1954 for the period 1 July 1954 to 30 June 1955. An extension of two months (period 1 July to 31 August 1955) was approved by Mr. Thomas H. Karamessines, Acting Chief, FI, 7 July 1955.

2. The extension referred to above was requested to permit Headquarters sufficient time to consider certain contemplated amendments to the originally approved Project and to evaluate the potential of this project in light of these amendments.

3. The following amendments to Project OBDURATE are recommended:

a. The change in status of [] from one of the principal agents of the project to that of an informant. []'s normal teaching duties, his writing and such extra-curricular activities as his secretaryship of the A.I.R.I. (Association of Refugee Intellectuals in Italy) do not leave him as much time as it would be desirable to devote to OBDURATE. In addition a member of the former CHARITY agents who were in Yugoslavia and with whom [] was in contact have since returned to Italy. [] will continue to be an informant of [] inasmuch as he still maintains influential contact with key Italian government officials and is a leader of the BKI emigre group in Italy. However, his compensation will be reduced from 250,000 to 50,000 Italian lire monthly.

b. [], who sparks the efforts of [], [] and other BKI figures and whose good will is of long range value will be paid 100,000 rather than the 200,000 Italian lire he has been receiving per month. This readjustment in []' compensation results from the lack of any substantial direct contribution to the Project with regard to intelligence production during the past year.

c. The inclusion of DECADAL in Project OBDURATE. Subject is the leader of the Second League of Priaren (the Kossova "movement to unite all Kossovars against the Slavs"). DECADAL, whose rise to importance was concurrent with German predominance in the Balkans during the last war, had been described by some Albanian emigre circles as a "prize quisling." During German occupation of Albania subject served for a short period of time as Minister of the Interior. After leaving Albania in 1944, subject lived in Vienna, Turkey and Cairo. In late 1948 or early 1949 subject entered Italy where he has remained more or less on a permanent basis. In Italy subject recruited Kossovars who were later parachuted into Albania under Project LAWBOOK. He has been on intimate terms with Italian I.S. personnel and during the past few years has been collaborating with them. Although subject considers himself to be

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"only a neutral and advisor" to the Italian I.S., his exploitation will be based on the premise that he is probably one of their agents. DECADAL will report on Albanian emigre matters as well as on his dealings with the Italian I.S. In the past he has reported to [] on consultations he has had with the Italians, and has been used as a check on the latter in much the same way as [] has been utilized in the past. Subject will be paid 50,000 Italian lire per month to cover the rental of his apartment. It is believed that subject, who is under some economic pressure, will accept this payment on the insistence that the apartment will be necessary for [] debriefings. It has been reported in the past that DECADAL has been reluctant to receive compensation for "advisory services" in order to avoid being under any obligation to his benefactors.

d. Payments of 100 dollars per month to a [] contact in the Italian Legation in Tirana. [] had been requested to pass over certain queries on our behalf, to his Tirana sources for the purpose of testing this channel. Although it is still too early to evaluate the potential of this source, inasmuch as no intelligence has yet been received, it is believed that his contributions even if only based on his general on the spot observations could provide us with worthwhile information.

e. Payments of 100 dollars per month (to be held in an escrow fund) to a BKI adherent (Kraja) will be resumed if his contact with an Albanian Legation official in Rome is reestablished. Mersini, the Legation official stopped contacting Kraja several months ago. Prior to this, Mersini-Kraja meetings had been held regularly.

f. Payments of 25,000 Italian lire per month to [], a former CHARITY agent residing in Yugoslavia. This payment will meet a [] CHARITY commitment to subject.

5. The value of the information produced by Project OBDURATE generally has been considered favorably by customers, especially by the Departments of State and Navy. The Department of State has shown considerable interest in Italian policy with regard to the BKI, Albanian attempts to induce refugees to repatriate and Yugoslav policy toward Albanian refugees. The coverage of Albanian shipping, and Albanian coastal regions, including the Ports of Durres and Valona under [] Italian DEEPSA activity has in the main been excellent. Although the extent to which coverage on matters of particular interest to our customers has been somewhat limited, there has been considerable improvement in meeting these requirements since OBDURATE salvaged the positive intelligence elements of Project OBSTACLE. During this period (past 14 months) 43 positive information reports and 63 CE reports have been received. Twenty-eight of the former reports were disseminated. The CE reports have been of internal interest and value. A Number of the CE reports concern the increased intelligence activity of Albanian Legation personnel in Rome. [], leader of the BKI groups as well as other Albanian refugees have been contacted by Legation personnel for the purpose of enlisting their cooperation. Attention has also been given to attempts by Legation personnel to induce refugees to repatriate to Albania.

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6. The product of Project OBDURATE can be valued favorably when considered in relation to the personnel involved and money expended in the operation. The SE Headquarters and WE field case officers devote only a small part of their time to the Project. The goodwill aspect of the Project has been an important factor in insuring our continued receipt of []'s DEEPSHA production on Albanian targets. By indirectly assuming a small financial obligation of the Italians in employing and paying certain leading BKI members CIA is assured of greater cooperation by [] and an increased take of its intelligence output. [], being faced with limited funds, would find it difficult to continue meeting their obligations to the BKI leaders, who have collaborated with them for the past two decades, without our supplementary payments made to men such as [], [], etc. under Project OBDURATE. It also demonstrates CIA's willingness to work jointly with Italian intelligence on Albanian affairs. In a recent communication from the field [] IN 10036) it was reported in referring to the expenditures listed in paragraph 3 above that they were "regarded as the minimum indispensable to maintain and develop OBDURATE, safeguard long range assets and guarantee continued receipt of the entire DEEPSHA Albanian take."

7. The close relationship of BKI members involved in OBDURATE to the Italians permits us little if any opportunity to exploit these men unilaterally except occasionally as informants. Any operational leads which may develop involving BKI members will normally have to be exploited jointly with the Italians. In an operation such as the one involving []'s Tirana source we are, in assuming the 100 dollars per month payment, able to receive the "take" and submit certain requirements without being directly involved operationally. An exception to the above was the Kraja-Mersini Operation (paragraph 3e.) where [] was directly involved in handling Kraja.

8. An estimated sum of \$[] has been expended under Project OBDURATE during the past 14 months (includes the two months extension 1 July 1955 to 31 August 1955).

9. It is requested that this project be renewed for the period 1 Sept. 1955 to 31 August 1956. The total yearly cost is expected to approximate \$[] a reduction of more than \$1500 from the total sum expended during the preceding 12 month period.

[]
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